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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

S-08332

28 May 1975

MEMORANDUM FOR: Richard Reidinger
ERS/PDCD
Department of Agriculture

SUBJECT : Near East and Africa Fertilizer
Production and Exports

1. In response to your request for information on fertilizer production and export prospects in Egypt and in major Near East and African oil producing countries, we have prepared the attached materials.

2. If you have any further questions on this material please contact me [redacted]

Attachment:
As stated above

Distribution: (S-Project 08332)

Orig. & 1 - Addressee

1 - [redacted] NIO
1 - D/OER, DD/OER, SA/ER

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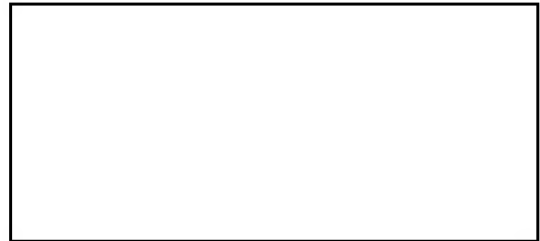
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EGYPT

Phosphate Fertilizer

During the period 1976-79 Egypt will remain a minor, net exporter of phosphate fertilizers although increasing consumption will shrink exports to an almost negligible level. By 1980 extension of the Assiut processing facility should be completed and production is expected to increase by roughly 75%. Export performance will peak at this time to around 65,000 metric tons but decline steadily thereafter as domestic consumption continues to expand at an estimated 5% annual growth rate.

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Egypt: Phosphate Fertilizer Supply and Utilization

Units: 1,000 Metric Tons, Nutrient Basic (P2O5)

	<u>1970</u>	<u>1971</u>	<u>1972a/</u>	<u>1973b/</u>	<u>1974b/</u>	<u>1975b/</u>	<u>1976b/</u>	<u>1977b/</u>	<u>1978b/</u>	<u>1979b/</u>	<u>1980b/</u>	<u>1981b/</u>	<u>1982b/</u>	<u>1983b/</u>	<u>1984b/</u>	<u>1985b/</u>
Production	59	74	80	80	80	80	80	80	80	80	140	140	140	140	140	140
Exports or imports (net) (- equals export)	-23	-34	-35	-31	-26	-21	-18	-15	-12	-9	-65	-61	-57	-53	-49	-44
Consumption	36	40	45	49	54	59	62	65	68	71	75	79	83	87	91	96

a. Preliminary.
b. Estimated.

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Nitrogen Fertilizer

Total production is scheduled to increase steadily between 1975-1977 as Talkha I approaches its rated capacity. Nevertheless, Egypt will remain a net importer during this period as consumption continues to grow. By 1978 Talkha II production will begin coming on stream and Egypt will shift to a minor exporter of nitrogen fertilizers. Export performance will peak around 1980 and steadily decline thereafter. Development of a new facility at Abu Kir is still in a very tentative stage and we are unable at this juncture to determine when this new capacity will be made available.

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Egypt - Projected Supply and Consumption of Nitrogen Fertilizer
(in 000's tons of N)

Production ^{/1}	1970 (Actual)	1972	1973 (Est.)	1974	1975	1976	1977	1978	1980	1982	1985
							-----Projected-----				
Kima (Aswan)	117	93	30	78	100	113	120	122	125	125	125
Helwan	-	10	21	31	42	42	42	42	42	42	42
Talkha I	-	-	-	-	75	98	98	113	117	117	117
Talkha II	-	-	-	-	-	-	-	196	249	249	249
Total	117	103	51	109	217	253	260	473	533	533	533
Consumption	330	327	381	381	409	410	438	456	492	506	514
Apparent Deficit (Surplus)	213	215	330	272	192	157	178	(17)	(41)	(27)	(19)

^{/1} Production from Suez is excluded. Talkha I rated at 100% output once Talkha II is fully operating.

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Status of Fertilizer Projects in the Oil Producing
Countries of the Middle East and Africa

In the near term at least, there is little likelihood that the Middle East and African oil producers could cause an over-run of world wide production of chemical fertilizers. Of the 10 or so fertilizer complexes planned for by these states, only one is scheduled to be ready before 1979. Most of the other plants are still in various stages of study or negotiations; very few construction contracts have been signed.

Saudi Arabia - Saudi Arabia has the most ambitious plans for fertilizer plants of all the oil producers. At least two, and possibly four, 510,000 tons/year ammonia-urea plants are currently under consideration. The projected completion date for the first plant is mid-1979 but thus far no construction contracts have been let. If all four plants were to be completed on schedule the addition to Saudi production would be 2,040,000 tons/year by 1982, still a fraction of world production. Current production by the Saudi Fertilizer Company equaled 200,000 metric tons in 1974, about two-

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thirds of capacity. The plant produces only urea although it is designed to produce ammonia also.

Iraq - As of late 1974 Iraq had plans for two fertilizer plants, one a 600,000 tons/year phosphate plant at Khor al Zuhair and a 2 million ton/year urea complex at Al Kabeer. Both plants were to be started during 1975. It is unclear, however, whether plans for the two complexes will proceed on schedule as the Iraqi government has just called for a moratorium on further development spending this year in the face of lower-than-expected oil revenues. The government also plans to expand the Basrah fertilizer plant which began production in 1971. Production from this plant thus far is used internally.

UAE - The United Arab Emirates is considering two plants in Abu Dhabi and one in Pakistan. As of May 1975 the government of Abu Dhabi planned to award contracts at the end of the year for a 27,000 tons/year plant to be built in Abu Dhabi. A French proposed petrochemical plant which would include a fertilizer plant has also been under discussion for the same time period but apparently no further action has been taken.

Both Abu Dhabi and Saudi Arabia have agreed to finance two plants in Pakistan which if completed will boost Pakistan production to 1,900,000 tons/year from its present 500,000 tons.

Libya - Libya is the only country currently having a

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contract out for an export-oriented ammonia plant. The West German firm of Fredrich Uhde is scheduled to complete a 1,000 tons per day ammonia plant by 1976. The product of the plant, which is to be part of a large petrochemical complex, is for the export market.

Kuwait - Kuwait has not started any new industrial projects in the past two years although a number of projects are under study. The government is presently considering expansion of its existing fertilizer facilities by 550 tons per day of urea and adding another sulfur acid unit.

Algeria - Algeria is currently exporting ammonium nitrate, ammonia and various fertilizers from a number of plants. The only fertilizer expansion currently planned is for a 1,000 ton/day ammonia plant at Arzew designed for the domestic market. The contract for this project has been awarded.

Nigeria - Nigeria's current development plan emphasizes agriculture as a principle sector of the economy. In an effort to realize this, the government is planning to set up its own fertilizer industry to supplant imports. The plant will be either phosphatic or nitrogenous and in either case will have fertilizer for export. The project has not progressed past the planning stage and will not be completed in the near term.

Qatar - The government of Qatar introduced plans to double the output of its just completed fertilizer plant

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from 1,000 ton per day. No time table has been set for the project although funds were budgeted in fiscal 1975.

Oman - Oman plans a long-term urea fertilizer complex at a cost to exceed \$750 million. The project is at a preliminary stage, however, and is not possible to estimate a completion or starting date.

Bahrain - In early 1973 Bahrain and India announced their intention to construct a chemical fertilizer plant in Bahrain, to be jointly owned by both countries. The project has languished since late 1973, however, while Bahrain sorts out its priorities before spending the estimated \$28 million that the complex would cost. If the project ever goes ahead it will be built in three stages; the first stage to produce 500,000 tons per year of ammonia, the second to produce liquid urea and the third stage to produce phosphate.

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